

Remarks by Harold Scott
Harley-Davidson Vice President of Human Resources
To the U.S House of Representatives Committee on Veterans Affairs
March 24, 2004

Thank you, Chairman Smith, ranking member Evans and other members of the committee for the privilege to appear today before the House Committee on Veterans' Affairs. My name is Harold Scott. I am the Vice President, Human Resources for Harley-Davidson Motor Company.

I appreciate the opportunity to tell you about our effort to bring visibility to issues surrounding former service members who are seeking employment.

During Harley-Davidson's 100-year history of making great motorcycles, our products have seen significant action in the U.S. military.

We recently signed an agreement to partner with the United States Army's Partnership for Youth Success Program (PaYS). The Army PaYS program is a new initiative that offers Wisconsin youth the ability to serve our nation while preparing them with the necessary skills to be an effective employee in our company. The partnership between Harley-Davidson and the U.S. Army benefits everyone by providing quality, mature and disciplined young adults with an opportunity for employment.

Harley-Davidson has a long history of supporting employees who serve our country. As far back as 1917 we gave assurances to the U.S. Department of War

and Navy that the company would agree to rehire all of its employees who left to fight in World War I. In addition, during contemporary wartime, we have supported our veteran employees. This supports predates the initiation of laws associated with the Uniformed Service Employment and Reemployment Rights Act (USERRA) of 1994.

At Harley-Davidson we experience the positive contributions of military veterans every day. From leadership positions throughout every level of the company, military veterans have brought a work ethic reflective of the training and experiences they've acquired. It is now estimated that about 15% of Harley-Davidson's U.S. employees are military veterans, and 29% of our customers have served in the military.

An example of one of our employees is Brian Zarilla, Preparation Technician, Harley-Davidson Vehicle Operations, York, PA. He served four years of active duty in the Air Force and has spent the last 14 years in the 111th Fighter Wing of the Pennsylvania Air National Guard. Zarilla, a Master Sergeant (Msgt) and an aircraft Maintenance Quality Assurance Evaluator, was called to active duty in 1995 in support of Operation Southern Watch in Kuwait. Currently, numerous members of his unit have been deployed in support of Operation Iraqi Freedom; however, he has not been called to active duty yet. Sergeant Zarilla has been able to achieve the balance between work and family obligations, as well as the duties of a reservist through the support of his family, the words of encouragement from his co-workers and through Harley-Davidson's Special Military Leave Policy.

Harley-Davidson has stated initiatives for both our current employees and customers designed to honor their military involvement and provide support as they are serving our country.

We support our employees serving the Guard and Reserve through pay and benefits. Harley-Davidson Motor Company, as well as the I.A.M. and PACE International unions, have committed to a policy to meet the financial needs of Military Reservists and National Guard members who are called to active duty by presidential order during a military crisis. We do this by compensating an employee called to duty for the difference between his or her military pay and his or her normal salary or straight time hourly rate of pay during their absence. Likewise, the families of employees called to duty will receive continued health insurance and 401(k) benefits.

For our customers we recently established a program called “Operation Mission Accomplished.” This program extends the warranty coverage on Harley-Davidson and Buell motorcycles belonging to military personnel recently deployed in support of operations in Afghanistan and Iraq. This program insures that Harley-Davidson provides a level playing field for those who serve our country.

Also in 2004, Harley-Davidson will present our annual “Genuine Hero” Award to a veteran for dedication and service to our country. All veterans are eligible to apply for this award. Veterans, or family and friends of veterans are asked to nominate persons on such characteristics as patriotism, citizenship, and wartime heroism or community service.

I feel privileged to speak to the committee today on behalf of the leadership and employees of Harley-Davidson as I express to you our respect for what veterans have done to preserve our freedom and protect our country. We believe it's our duty as a company to help veterans assimilate back into the workforce when their service to our country is complete. And we are honored to do so.

We know from experience that the better Harley-Davidson's employee population reflects our customer base, the more successful we will be as a company. Having a common bond of military service strengthens our employee's ability to relate to customers and meet their needs.

In short, support of veterans makes good business sense for Harley-Davidson.

Mr. Chairman and Committee Members, given the current unemployment situation in the United States, Harley-Davidson believes that it is especially important to consider those challenges faced by military personnel after completion of their service. It is my hope and the hope of Harley-Davidson's leadership team that all U.S. employers -- as well as policy makers -- will treat this situation as a serious responsibility. Together, we need to do whatever steps are required to secure work opportunities for our veterans. You can be assured Harley-Davidson will do everything in its power to continue our efforts. Thank you.